

SENATE BILL REPORT

SB 6203

As Reported By Senate Committee On:
Water, Energy & Telecommunications, January 30, 2008

Title: An act relating to authorizing a local sales tax deducted from the state portion of the sales tax for purposes of implementing water quality projects.

Brief Description: Authorizing a local sales tax deducted from the state portion of the sales tax for purposes of implementing water quality projects.

Sponsors: Senators Sheldon and Shin.

Brief History:

Committee Activity: Water, Energy & Telecommunications: 1/22/08, 1/30/08 [DPS, w/oRec].
Ways & Means: 2/12/08.

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Majority Report: That Substitute Senate Bill No. 6203 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rockefeller, Chair; Murray, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Hatfield, Morton, Oemig and Regala.

Minority Report: That it be referred without recommendation.

Signed by Senator Pridemore.

Staff: Scott Boettcher (786-7416)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dianne Criswell (786-7433)

Background: Protecting and improving water quality is required under state and federal law. Impaired or degraded water quality threatens environmental and public health as well local and state economic vitality. Improperly functioning on-site sewage disposal systems can contaminate surface and ground water. Excess fecal coliform bacteria and excess nutrient loading from improperly functioning on-site systems can lead to suffocation and oxygen-starvation of fish and other sea life as well as downgrading and/or closing commercial and recreational shellfish growing areas. Water quality planning and priority-setting, as well as financing and funding, are key to protecting and improving water quality in Washington.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The state of Washington has passed several planning and priority-setting statutes to direct the setting of local and regional priorities for water quality protection, including: 1997 State Watershed Planning act; 2006 On-Site Program Management Planning for Marine Recovery Areas act; and 2007 Puget Sound action agenda.

Currently, the state Department of Ecology administers several grant and loan programs to help in the financing and funding of local and regional water quality protection. These programs include: (1) Puget Sound On-Site Septic System Repair and Replacement Financial Assistance Program to provide grants and low-interest loans to Puget Sound counties and tribal governments for repair and replacement of failing on-site septic systems; (2) Centennial Clean Water Program to finance planning, implementation, design, acquisition, construction, and improvement of local water pollution control facilities and water pollution control related activities; (3) Federal Clean Water Act Section 319 Nonpoint Source Program to fund local projects that will directly or indirectly protect water quality by preventing or controlling nonpoint sources of pollution; and (4) Washington State Water Pollution Control Revolving Fund Program to provide low-cost financing or refinancing for local water quality protection projects including publicly owned wastewater treatment facilities, nonpoint source pollution control projects, and comprehensive estuary conservation and management programs.

Summary of Bill (Recommended Substitute): County legislative authorities may impose additional local retail sales and use taxes to raise revenue to implement local water quality and water quantity projects. The rate of the additional tax must not exceed 0.04 percent in counties with less than 500,000 persons and 0.02 percent in counties with 500,000 or more persons. The tax must be deducted from those amounts already required to be collected and paid to the state under state retail sales and use tax statutes. The Department of Revenue is directed to collect the tax at no cost to the county. Eligible water quality and water quantity projects include: (1) on-site program management plans developed for established marine recovery areas; (2) water quality projects developed consistent with the Puget Sound action agenda; (3) water quality and water quantity components of local watershed plans approved under the state Watershed Planning Act; (4) groundwater management area plan; and (5) water quality projects developed to meet objectives of total maximum daily load analyses.

EFFECT OF CHANGES MADE BY WATER, ENERGY & TELECOMMUNICATIONS COMMITTEE (Recommended Substitute): Revisions include:

- broadens scope of bill to include implementation of water quantity projects in addition to implementation of water quality projects;
- title and Section 1(3) were modified to include "water quantity" following "water quality;" and
- provides example of a water quantity planning process that could identify water quantity improvement projects to be funded under the provisions of the bill.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2008.

Staff Summary of Public Testimony on Original Bill: PRO: Will create and establish a stable funding source for county water quality improvement projects. Will provide a sustainable source of funding to address county needs and longer-term projects. Will provide flexibility and adaptability so counties across the state can address their highest water quality improvement projects. Dollars secured through the provisions of the bill will offset need for existing grants and loans. Water quality improvement projects exist across the state, not just Hood Canal or Puget Sound. Existing grant and loan dollars for water quality protection and water quality improvement are not sufficient. Water quality improvement projects can include storage, fencing, projects to meet basin planning requirements and National Pollutant Discharge Elimination System permit requirements, on-site septic repair, and rehabilitation, etc. Might want to consider quantity in addition to quality.

Persons Testifying: Senator Tim Sheldon, prime sponsor; David Sullivan, Commissioner, Jefferson County; Lynda Ring-Erickson, Commissioner, Mason County; Ross Gallagher, Commissioner, Mason County; Vicki Kirkpatrick, Mason County Public Health Department; Toby Rickman, Pierce County; Eric Johnson, Washington State Association of Counties.